

# Mineral Industry Surveys

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## ZINC IN APRIL 2005

Domestic mine production (recoverable) of zinc in April of 56,700 metric tons (t) was about 12% less than in March and about 6% less than in April 2004, according to the U.S. Geological Survey. Estimated smelter production of 23,400 t was 3% more than in March and 21% less than in April 2004. Apparent consumption of 91,300 t was 12% higher than in March and 10% lower than in April 2004.

The Platts Metals Week average composite price for North American Special High Grade zinc decreased to 63.03 cents per pound in April. The price was 5.2% (3.46 cents per pound) lower than in March and 21.0% (10.94 cents per pound) higher than in April 2004. The average London Metal Exchange Ltd. (LME) cash price decreased to \$1,300.00 per metric ton, a 5.8% decrease compared with the March price, and 25.9% higher than April 2004. During April LME zinc stocks dropped by 24,225 t to 546,375 t.

CRU International (2005) predicted that the Western World zinc market would be in deficit again in 2005, by approximately 315,000 t. This was close to the Western World deficit International Lead-Zinc Study Group (ILZSG) predicted recently. Two recent European smelter cutbacks may ease the tight supply of zinc concentrates, but could further contribute to the Western World deficit. Unicore announced plans to cut 130,000 metric tons per year (t/yr) in output at its Aubry (France) smelter the second half of the year, and a bankruptcy filing announced by Sudamin at its Duisburg (Germany) smelter could take a further 100,000 t/yr of capacity offline if they follow-up with closure.

In the United States there was reduced demand for zinc in April, which led to a reported further softening of the producer's premiums. The strengthening dollar has also contributed to some of the recent price decrease (CRU International, 2005).

EuroZinc Mining Corp., a Canadian based metals company, has predicted zinc supplies would have to increase by nearly 700,000 t in 2006 to meet increased demand—driven in large part by China's growth and that there would be insufficient new production to meet this demand (Platts Metals Week, 2005b).

A recent change in China's VAT rebate was reportedly designed to encourage domestic sales of zinc in the face of short supplies. Sales of Chinese exported material in the Asian region has already been noticeably reduced (CRU International, 2005). Peru's zinc production for February was about 105,000 t and for the first 2 months of 2005 production was 210,000 t, an increase of 1.2% compared to that of the first two months of 2004 (Platts Metals Week, 2005a).

Canadian zinc refiner, Noranda Income Fund, produced about 66,900 t of zinc in the first 3 months of 2005. Its production in 2004 was 277,000 t of zinc, and its forecast for 2005 was 275,000 t (Platts Metals Week, 2005d).

In April Vancouver-based Lundin Mining Company acquired ARCON Resources, which owned the Galmoy zinc-lead mine in Ireland. Combined with its other zinc assets in Sweden, Zinkgruvan and Storliden mines, Lundin Mining will have an estimated annual zinc production of around 152,000 t. Lundin also announced that it would soon start an aggressive exploration program in County Kilkenny, Ireland (Platts Metals Week, 2005c).

In April the U.S. Defense Logistics Agency sold 220 t (242 short tons) of zinc valued at \$290,000 to Colonial Metals of Columbia, PA; Ritchey Metals of Hendersonville, PA; and US Zinc of Pittsburgh, PA (Defense National Stockpile Center, 2005).

## References Cited

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- Platts Metals Week, 2005a, Peru's two month output rises: Platts Metals Week, v. 76, no. 15, April 11, p. 15.
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- Platts Metals Week, 2005c, Lundin, ARCON to merge in 123-mil deal: Platts Metals Week, v. 76, no. 16, April 18, p. 15.
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TABLE 1  
SALIENT ZINC STATISTICS<sup>1</sup>

(Metric tons, unless otherwise specified)

	2004	2005			
	January- December	February	March	April	January- April
<b>Production:</b>					
Mine, zinc content of concentrate	739,000	58,100	66,600 <sup>r</sup>	58,900	240,000
Mine, recoverable zinc	713,000	56,000 <sup>r</sup>	64,100 <sup>r</sup>	56,700	231,000
Smelter, refined zinc	320,000	25,600 <sup>e</sup>	22,700 <sup>e</sup>	23,400 <sup>e</sup>	96,400 <sup>e</sup>
<b>Consumption:</b>					
Refined zinc, reported	421,000	33,900	34,100	33,500	135,000
Ores <sup>e</sup> (zinc content)	727	61	61	61	242
Zinc-base scrap <sup>e</sup> (zinc content)	191,000	15,900	15,900	15,900	63,500
Copper-base scrap <sup>e</sup> (zinc content)	176,000	14,700	14,700	14,700	58,700
Aluminum-and magnesium-base scrap <sup>e</sup> (zinc content)	1,430	120	120	120	478
Total <sup>e</sup>	790,000	64,700	64,900	64,300	258,000
Apparent consumption, metal <sup>2</sup>	1,160,000	82,200	81,200	91,300	343,000 <sup>3</sup>
Stocks of refined (slab) zinc, end of period:					
Producer <sup>4</sup>	XX	11,000	9,760	9,420	XX
Consumer <sup>5</sup>	XX	57,200	56,300	56,900	XX
Merchant	XX	10,200	10,200	10,200	XX
Total	XX	78,500	76,300	76,500	XX
Shipments of zinc metal from Government stockpile	28,900	--	--	--	--
<b>Imports for consumption:</b>					
Refined (slab) zinc	812,000	56,400	68,100	NA	182,000 <sup>6</sup>
Oxide (gross weight)	103,000	7,780	7,480	NA	23,300 <sup>6</sup>
Ore and concentrate (zinc content)	231,000	18,800	11,800	NA	34,100 <sup>6</sup>
<b>Exports:</b>					
Refined (slab) zinc	3,300	60	4	NA	317 <sup>6</sup>
Oxide (gross weight)	14,400	783	1,450	NA	3,050 <sup>6</sup>
Ore and concentrate (zinc content)	745,000	5,380	35,800	NA	63,500 <sup>6</sup>
Waste and scrap (gross weight)	53,900	4,150	6,790	NA	14,200 <sup>6</sup>
<b>Price:</b>					
London Metal Exchange, average, dollars per metric ton	\$1,050.00	\$1,330.00	\$1,380.00	\$1,300.00	\$1,310.00
Platts Metals Week North American Special High Grade, average, cents per pound	52.47	64.49	66.49	63.03	63.89

<sup>e</sup>Estimated. <sup>r</sup>Revised. NA Not available. XX Not applicable. -- Zero.

<sup>1</sup>Data are rounded to no more than three significant digits; except prices; may not add to totals shown.

<sup>2</sup>Smelter production plus imports minus exports plus shipments from Government stockpile plus stock change.

<sup>3</sup>Data based on reported consumption, stocks, and estimated trade data.

<sup>4</sup>Data from U.S. Geological Survey and American Bureau of Metal Statistics.

<sup>5</sup>Includes an estimate for companies that report annually.

<sup>6</sup>Includes data through March only.

TABLE 2  
REFINED ZINC PRODUCED IN THE UNITED STATES<sup>1</sup>

(Metric tons)

Month	Beginning stocks <sup>2</sup>	Production	Shipments	Ending stocks <sup>2</sup>
2004:				
April	5,960 <sup>e</sup>	29,600	28,300	7,300
May	7,300 <sup>e</sup>	28,600	28,300	7,660
June	7,660 <sup>e</sup>	28,600 <sup>e</sup>	29,900	6,340
July	6,340 <sup>e</sup>	29,200 <sup>e</sup>	29,200	6,390
August	6,390 <sup>e</sup>	29,300 <sup>e</sup>	29,300	6,370
September	6,370 <sup>e</sup>	24,100 <sup>e</sup>	23,400	7,020
October	7,020 <sup>e</sup>	23,800 <sup>e</sup>	23,700	7,070
November	7,070 <sup>e</sup>	23,500 <sup>e</sup>	23,800	6,780
December	6,780 <sup>e</sup>	20,200 <sup>e</sup>	20,500	6,430
January-December	XX	320,000	321,000	XX
2005:				
January	6,430 <sup>e</sup>	24,600 <sup>e</sup>	21,200	9,860
February	9,860 <sup>e</sup>	25,600 <sup>e</sup>	24,500	11,000
March	11,000 <sup>e</sup>	22,700 <sup>e</sup>	24,000	9,760
April	9,760 <sup>e</sup>	23,400 <sup>e</sup>	23,800	9,420
January-April	XX	96,400 <sup>e</sup>	93,400	XX

<sup>e</sup>Estimated. XX Not applicable.

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Includes stocks held at locations other than smelters.

Sources: U.S. Geological Survey and American Bureau of Metal Statistics.

TABLE 3  
APPARENT CONSUMPTION OF REFINED ZINC  
ACCORDING TO INDUSTRY USE AND PRODUCT<sup>1</sup>

(Metric tons)

Industry and product	2004	2005			
	January- December <sup>2</sup>	February	March	April <sup>2</sup>	January- April
Galvanizing:					
Sheet and strip	477,000	33,500	33,900	38,200	142,000
Other	167,000	11,100	10,700	12,900	46,900
Total	644,000	44,600	44,600	51,100	189,000
Brass and bronze	188,000	13,300	12,700	13,600	53,800
Zinc-base alloy	244,000	17,700	17,500	19,600	73,800
Other uses <sup>3</sup>	85,800	6,500	6,400	7,100	27,000
Grand total	1,160,000	82,200	81,200	91,300	343,000

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Data based on reported consumption, stocks, and estimated trade data.

<sup>3</sup>Includes zinc used in making zinc dust, desilvering lead, powder, alloys, anodes, chemicals, castings, light metal alloys, rolled zinc, and miscellaneous uses not elsewhere specified.

TABLE 4  
AVERAGE MONTHLY ZINC PRICES<sup>1</sup>

Period	North American ¢/lb.	LME <sup>2</sup> cash	
		¢/lb.	\$/t
2004:			
April	52.09	46.82	1,032.28
May	51.76	46.63	1,027.93
June	51.33	46.32	1,021.08
July	50.08	44.81	987.94
August	49.44	44.24	975.39
September	49.23	44.22	974.83
October	53.31	48.28	1,064.49
November	54.81	49.68	1,095.18
December	58.53	53.52	1,179.83
January-December	52.29	47.17	1,039.88
2005:			
January	61.54	56.51	1,245.81
February	64.49	60.14	1,325.81
March	66.49	62.47	1,377.33
April	63.03	58.96	1,299.81
January-April	63.89	59.52	1,312.19

<sup>1</sup>Special High Grade.

<sup>2</sup>London Metal Exchange.

Source: Platts Metals Week.

TABLE 5  
U.S. EXPORTS OF ZINC<sup>1</sup>

Material	2004		2005 <sup>2</sup>			
	Quantity (metric tons)	Value (thousands)	March		Year to date	
			Quantity (metric tons)	Value (thousands)	Quantity (metric tons)	Value (thousands)
Refined (slab) zinc	3,300	\$5,330	4	\$9	317	\$712
Ore and concentrate (zinc content)	745,000	413,000	35,800	14,100	63,500	26,200
Waste and scrap (gross weight)	53,900	48,300	6,790	7,260	14,200	14,400
Powders, flakes, dust (zinc content)	7,640	13,500	838	1,950	2,300	4,810
Oxide (gross weight)	14,400	19,800	1,450	2,270	3,050	5,130
Chloride (gross weight)	1,870	2,200	245	226	630	739
Sulfate (gross weight)	3,060	1,860	289	194	684	439
Compounds, other (gross weight)	194	711	26	74	278	290

<sup>1</sup>Data are rounded to no more than three significant digits.

<sup>2</sup>Data for April 2005 were not available at time of publication.

Source: U.S. Census Bureau.

TABLE 6  
U.S. IMPORTS FOR CONSUMPTION OF ZINC<sup>1</sup>

Material	2004		2005 <sup>2</sup>			
			March		Year to date	
	Quantity (metric tons)	Value (thousands)	Quantity (metric tons)	Value (thousands)	Quantity (metric tons)	Value (thousands)
Refined (slab) zinc	812,000	\$888,000	68,100	\$91,700	182,000	\$233,000
Ore and concentrate (zinc content)	231,000	98,700	11,800	9,100	34,100	25,400
Waste and scrap (gross weight)	10,800	7,740	792	688	1,900	1,620
Powders, flakes, dust (zinc content)	24,800	40,200	1,740	3,110	5,500	9,600
Oxide (gross weight)	103,000	89,000	7,480	8,930	23,300	25,800
Chloride (gross weight)	705	863	50	124	181	355
Sulfate (gross weight)	29,100	14,000	2,280	1,280	7,720	3,950
Compounds, other (gross weight)	4,660	4,230	844	753	1,660	1,550

<sup>1</sup>Data are rounded to no more than three significant digits.

<sup>2</sup>Data for April 2005 were not available at time of publication.

Source: U.S. Census Bureau.

TABLE 7  
SHIPMENTS OF ZINC METAL FROM THE NATIONAL  
DEFENSE STOCKPILE<sup>1</sup>

(Metric tons)

Period	Beginning inventory	Shipments	Ending inventory
2004:			
April	89,000	3,340	85,600
May	85,600	14,700	70,900
June	70,900	1,170	69,800
July	69,800	44	69,700
August	69,700	3,360	66,400
September	66,400	--	66,400
October	66,400	--	66,400
November	66,400	--	66,400
December	66,400	--	66,400
January-December	XX	22,600	XX
2005:			
January	66,400	--	66,400
February	66,400	--	66,400
March	66,400	--	66,400
April	66,400	--	66,400
January-April	XX	--	XX

XX Not applicable. -- Zero.

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

Source: Defense Logistics Agency.

TABLE 8  
U.S. IMPORTS OF ZINC, BY TYPE OF MATERIAL AND COUNTRY<sup>1,2</sup>

(Metric tons)

Material and country	General imports			Imports for consumption		
	2004	2005		2004	2005	
		March	Year to date		March	Year to date
Ore and concentrate (zinc content):						
Australia	27,900	--	--	27,900	--	--
Ireland	17,700	--	4,410	17,700	--	4,410
Mexico	6,530	3,290	4,190	6,530	3,290	4,190
Peru	178,000	8,550	25,500	178,000	8,550	25,500
Other	877	--	--	877	--	--
Total	231,000	11,800	34,100	231,000	11,800	34,100
Blocks, pigs, or slab:						
Australia	7,940	--	1	27,500	4,510	6,990
Brazil	26,400	2,210	10,300	26,400	2,210	10,300
Canada	501,000	48,800	127,000	501,000	48,800	127,000
China	35	--	--	16,500	50	553
Japan	--	--	--	690	--	--
Kazakhstan	2,310	--	--	2,310	--	--
Korea, Republic of	8,030	--	--	31,900	--	813
Mexico	123,000	12,500	36,200	123,000	12,500	36,200
Namibia	47,900	--	--	47,900	--	--
Peru	25,600	--	18	30,500	--	616
Poland	--	--	--	--	--	--
Other	204	--	--	3,970	--	225
Total	743,000	63,500	173,000	812,000	68,100	182,000
Dross, ashes, fume (zinc content)	16,100	1,440	3,800	16,100	1,440	3,800
Grand total	990,000	76,800	211,000	1,060,000	81,400	220,000
Oxide (gross weight):						
Canada	49,700	4,710	13,100	49,700	4,710	13,100
China	207	--	38	207	--	38
Italy	13,400	--	2,550	13,400	--	2,550
Japan	1,060	138	248	1,060	138	248
Mexico	33,200	2,020	5,670	33,200	2,020	5,670
Netherlands	4,700	525	1,410	4,700	525	1,410
Other	796	79	251	796	79	251
Total	103,000	7,480	23,300	103,000	7,480	23,300
Other (gross weight):						
Waste and scrap	10,800	792	1,900	10,800	792	1,900
Sheets	2,500	124	458	2,500	124	458
Powders, flakes, dust (zinc content)	24,800	1,740	5,500	24,800	1,740	5,500

-- Zero.

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Data for April 2005 were not available at time of publication.

Source: U.S. Census Bureau.